



THOMAS L. GARTHWAITE, M.D.  
Director and Chief Medical Officer

FRED LEAF  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina  
First District

Yvonne Brathwaite Burke  
Second District

Zev Yaroslavsky  
Third District

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Fourth District

Michael D. Antonovich  
Fifth District

April 28, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO FOUR MAGNETIC RESONANCE IMAGING  
SERVICE AGREEMENTS WITH INSIGHT HEALTH CORP.**

(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize and instruct the Director of Health Services, or his designee, to sign four amendments (Exhibits I through IV) with Insight Health Corp. for magnetic resonance imaging (MRI) services at Harbor-UCLA, Martin Luther King, Jr. /Drew and Olive View-UCLA Medical Centers, and Rancho Los Amigos National Rehabilitation Center, effective July 1, 2005 through December 31, 2005, unless sooner terminated, at a total estimated cost of \$4,497,957, with the option to extend the Agreements for an additional six months on a month-to-month basis through June 30, 2006, at a total estimated cost of \$4,482,957.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended action, the Board is delegating authority to the Director of Health Services, or his designee, to sign four amendments with Insight Health Corp. (Insight) to revise the term of the Agreements to allow the Department of Health Services (DHS or Department) time to complete a Request for Proposals (RFP). The RFP is to select a contractor to construct, install and maintain MRI scanners with the latest radiological technology enhancements, including digital imaging, and an information system that will interface with the hospitals' information system (QuadraMed), and manage the day-to-day MRI clinical operations at Harbor-UCLA (Harbor), Martin Luther King, Jr. /Drew (King/Drew), and Olive View-UCLA (Olive View) Medical Centers and Rancho Los Amigos National Rehabilitation Center (Rancho).

FISCAL IMPACT/FINANCING:

The estimated maximum County obligation for the four Amendments (Exhibits I-IV) is a total of \$4,497,957, net County cost, consisting of the following facility components: Harbor - \$2,843,000; King/Drew - \$565,007; Olive View - \$713,000; and, Rancho - \$376,950), effective

July 1, 2005 through December 31, 2005, and \$4,482,957 for the additional 6-month period from January 1, 2006 through June 30, 2006.

Funding for these Amendments is included in the Fiscal Year 2005-06 Proposed Budget and will be requested in future fiscal years.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

For nearly 20 years, Insight has been the sole source contractor for MRI services with individual Agreements at Harbor, King/Drew, Olive View, Rancho and LAC+USC Medical Center (LAC+USC). At all the facilities, Insight has constructed space or installed modular buildings for the MRI scanners, installed the equipment and provided equipment maintenance and overall management of day-to-day MRI operations.

The termination dates of the five current Agreements vary and include different rates for MRI scans at all the facilities. To secure the best service and price for MRI services, the Department is developing an RFP to cover most MRI services under one agreement. The development of the RFP entails a detailed assessment of the specific needs of each of the four facilities including staffing requirements, equipment specifications, and equipment location requirements. The Department is developing the RFP in collaboration with the hospital radiology departments to ensure all specifications and requirements are addressed. The recommended action will align the termination dates for the four facilities.

All four Amendments will terminate on December 31, 2005, unless terminated sooner, with an option to extend the Agreements for an additional six months on a month-to-month basis through June 30, 2006 with a 30-day written advance notice by the County to terminate without cause.

Harbor-UCLA Medical Center

Agreement No. 58260 - Amendment No. 2 adds a termination provision to the Agreement.

Martin Luther King, Jr. /Drew Medical Center

Agreement No. H203002 - Amendment No. 8 extends the termination date by six months from July 1, 2005 to December 31, 2005.

Olive View-UCLA Medical Center

Agreement No. H203001 - Amendment No. 6 extends the termination date by six months from July 1, 2005 to December 31, 2005.

Rancho Los Amigos National Rehabilitation Center

Agreement No. H200969 – Amendment No. 6 adds a termination date of December 31, 2005.

LAC+USC Medical Center

LAC+USC's Agreement with Insight is not part of the recommended action because its current Agreement does not expire until June 30, 2007.

The Honorable Board of Supervisors  
April 28, 2005  
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All the Amendments include Board mandated provisions.

Attachment A provides additional information. County Counsel has approved Exhibits I-IV as to form.

Implementation of Strategic Plan Goals

This action meets the County's Strategic Plan Goal of Service Excellence by promoting best practices for patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

This action meets the Department's strategic goal by improving the health care provided by DHS and enhancing the health of the residents of Los Angeles County.

CONTRACTING PROCESS:

Currently, Insight is the sole source contractor for MRI services. An RFP is being finalized to solicit bids from prospective qualified contractors for one Agreement to ensure that the County receives the best service and price. The tentative date of release for the RFP is August 2005.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the Amendments will ensure continued services while the Department initiates and completes a competitive selection process.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:kke

Attachments (5)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**SUMMARY OF AMENDMENTS**  
(Insight Health Corp.)

1. TYPE OF SERVICE:

Insight Health Corp. (Insight) provides the magnetic resonance imaging (MRI) studies at four facilities, Harbor-UCLA (Harbor), Martin Luther King, Jr./Drew (King/Drew), Olive View UCLA (Olive View) Medical Centers and Rancho Los Amigos National Rehabilitation Center (Rancho).

2. AGENCY ADDRESS AND CONTACT PERSON:

Michael Boylan  
Executive Vice President  
26250 Enterprise Court, Suite 100  
Lake Forest, CA 92630  
(949) 282-6153

3. TERM:

Effective July 1, 2005 through December 31, 2005, with the option to extend the Agreements for an additional six months on a month-to-month basis through June 30, 2006, at a total estimated cost of \$4,482,957.

4. FINANCIAL INFORMATION:

The maximum County obligation of the proposed Amendment is \$8,980,914 (\$4,497,957 + \$4,482,957).

5. PRIMARY GEOGRAPHIC AREA TO BE SERVED:

Countywide

6. ACCOUNTABLE FOR PROGRAM MONITORING:

Harbor-UCLA Medical Center  
Mark Mehringer, M.D., Chair, Radiology  
Angela Brown, Hospital Contracts Administrator

Martin Luther King, Jr. /Drew Medical Center  
Vaughn Payne, M.D., Interim Chair, Radiology  
Philip Valenzuela, Administrator – Ancillary Support

Olive View-UCLA Medical Center  
Ramesh Verma, M.D., Chair, Radiology  
Dexter Moon, Hospital Contracts Administrator

Rancho Los Amigos National Rehabilitation Center  
Charles Stewart, M.D., Chair, Radiology  
Cheryl Guinn, Hospital Contracts Administrator

7. APPROVALS:

Harbor-UCLA Medical Center:	Tecla Mickoseff, CEO
Martin Luther King, Jr./Drew Medical Center:	Hank Wells, CEO
Olive View-UCLA Medical Center:	Melinda Anderson, CEO
Rancho Los Amigos National Rehabilitation Center:	Valerie Orange, CEO
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel:	Christina A. Salseda, Deputy

**HARBOR/UCLA DIAGNOSTIC IMAGING CENTER OPERATING  
AND AFFILIATION AGREEMENT  
AMENDMENT NO. 2**

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

INSIGHT HEALTH CORP.  
(hereafter "Contractor"),

and

HARBOR/UCLA MEDICAL  
FOUNDATION, INC., on behalf of  
the UCLA School of Medicine  
Radiology Faculty (hereafter  
"Medical Group").

WHEREAS, reference is made to that certain document entitled  
"HARBOR/UCLA DIAGNOSTIC IMAGING CENTER OPERATING AND  
AFFILIATION AGREEMENT", dated December 29, 1987, and further identified as  
County Agreement No. 58260 and any amendments thereto (all hereafter "Agreement");  
and

WHEREAS, the Harbor/UCLA Medical Center shall retain professional and  
administrative responsibility for the services provided under this Agreement.

WHEREAS, said Agreement provides that changes may be made in the form of a  
written amendment which is formally approved and executed by the parties:

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon the Board of Supervisors'  
approval.

2. The term of this Agreement is hereby amended to terminate on December 31, 2005, unless sooner terminated. County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee. County shall have the option to extend the Agreement term for an additional six (6) months on a month-to-month basis with an option to terminate without cause, upon mutual agreement of both County and Contractor and at no additional cost to County. If County and Contractor fail to mutually agree to extend the Agreement term as of the expiration date of June 30, 2006, then the Agreement shall expire on such date.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. Paragraph 9, (CONFIDENTIALITY) of the Agreement shall be amended to read as follows:

“9. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality Agreement (Attachment I) for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and other expert,

consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement or by law, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.”

5. Paragraphs 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25 of the Agreement shall be added to read as follows:

“14. CONSIDERATION OF HIRING GAIN/GROW PROGRAM

PARTICIPANTS: Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in County’s Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor’s minimum qualifications for the open position.

For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.”

“15. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County’s Child Support Compliance Program (CSCP) (County Code Chapter 2.200) and without limiting Contractor’s duty under this contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Service Department (CSSD) Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).”

“16. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in "CONTRACTOR’S WARRANTY OF ADHERENCE TO COUNTY’S CHILD SUPPORT COMPLIANCE PROGRAM" Paragraph shall constitute default under this contract. Without limiting the rights and remedies available to County under any other



provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to "DEFAULT FOR INSOLVENCY" Paragraph and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.”

“17. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT: Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's CSSD will supply Contractor with the poster to be used.”

“18. SAFELY SURRENDERED BABY LAW: Contractor shall notify and provide to its employees residing in or working in the state of California, and shall require each Contractor performing work under this Agreement to notify and provide to its employees residing in or working in the state of California, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.”

“19. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractor to voluntarily post the County's "Safely Surrendered

Baby Law” poster in a prominent position at the Contractor’ place of business. The Contractor will also encourage its Contractor, if any, to post this poster in a prominent position in the Contractor’ place of business. The County’s Department of Children and Family Services will supply the Contractor with the poster to be used.”

“20. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/ TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County’s right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.”

“21. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County’s policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts

for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with the County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County or nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department of Health Services will notify Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an

opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to Subcontractors of County Contractors.”

“22. CONTRACTOR’S OBLIGATION AS A BUSINESS ASSOCIATE  
UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY

ACT OF 1996: The performance of Contractor’s obligations under the Agreement could require Contractor’s receipt of, or access to, Protected Health Information, as such term is defined in Attachment II (Contractor’s Obligation Under the Health Insurance Portability and Accountability Act of 1996). Contractor and County hereby agree to be bound by the terms and conditions of the Protected Health Information Disclosure Agreement (Attachment II) (hereafter “Agreement”) by and between Contractor (referred to in Attachment II as “Contractor”) and County (referred to in Attachment II as “Covered Entity”) for the term of this Agreement and as provided in the Agreement.

“23. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. This Agreement is subject to the provisions of County’s ordinance entitled (“Jury Service Program”) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code (see Contractor Employee Jury Service Exhibit).

B. Unless Contractor has demonstrated to County’s satisfaction either that Contractor is not a “Contractor” as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee’s regular pay the fees received for jury service.

C. For purposes of this Paragraph, “Contractor” means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts.

“Employee” means any California resident who is a full-time employee of Contractor.

“Full-time” means 40 hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 Days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County

under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

D. If Contractor is not required to comply with the Jury Service Program when this Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

E. Contractor's violation of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach."

"24. CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION):

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum. Upon occurrence of this event, Contractor shall send written notification to (a) County's Project Director, and (b) County's Project Manager."

“25. BUDGET REDUCTIONS: In the event that County’s Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year for services provided by Contractor under this Agreement. County’s notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement.”

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Michael A. Boylan  
Signature

Michael A. Boylan  
Printed Name

Title EXECUTIVE VICE PRESIDENT  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM  
BY THE OFFICE OF COUNTY COUNSEL

County Counsel

By Christina A. Salseda  
Christina A. Salseda, Deputy

HARBOR/UCLA MEDICAL  
FOUNDATION, INC.

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief, Contracts and Grants

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_

Kke\HUCLA/04-04-2005/DF



**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,  
ASSIGNMENT AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

**INSIGHT HEALTH CORP.**  
CONTRACTOR NAME

Contract No. 58260

Employee Name \_\_\_\_\_

**GENERAL INFORMATION:**

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality Assignment Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

**CONFIDENTIALITY AGREEMENT:**

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer \_\_\_\_\_

Contractor Name INSIGHT HEALTH CORP.Contract No. 58260

Employee Name \_\_\_\_\_

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

**CONTRACTOR'S OBLIGATION UNDER THE HEALTH INSURANCE  
PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Contractor") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Contractor if such a contract is not in place;

Therefore, the parties agree as follows:

**DEFINITIONS**

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 “Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Contractor to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## OBLIGATIONS OF CONTRACTOR

### 2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (i) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

### 2.2 Adequate Safeguards for Protected Health Information. Contractor:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

### 2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Contractor shall report to Covered Entity each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Contractor becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer

Kenneth Hahn Hall of Administration  
500 West Temple ST.  
Suite 525  
Los Angeles, CA 90012

2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Contractor shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Contractor shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Contractor shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Contractor or its employees, agents, representatives or subcontractors.

However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Contractor under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For

each Disclosure that could require an accounting under this Section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

## **OBLIGATION OF COVERED ENTITY**

3.1 Obligation of Covered Entity. Covered Entity shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

## **TERM AND TERMINATION**

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Contractor's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Contractor, Covered Entity shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by Covered Entity;

- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or

- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Contractor on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.

(b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

## MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors that receive Protected Health Information from Contractor, or create Protected Health Information for Contractor, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.



**MARTIN LUTHER KING, JR. /DREW MEDICAL CENTER**  
**MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT**

AMENDMENT NO. 8

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005,

by and between                      COUNTY OF LOS ANGELES (hereafter  
   "County"),  
  
and                                      INSIGHT HEALTH CORP.  
   (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC  
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and further  
identified as County Agreement No. H-203002 and any amendments thereto (all hereafter  
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a written  
amendment which is formally approved and executed by the parties.

WHEREAS, the Martin Luther King, Jr./Drew Medical Center (hereafter "Medical  
Center") shall retain professional and administrative responsibility for the services provided  
under this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon the Board of Supervisors'  
approval.

2. The term of this Agreement is hereby amended to terminate on December 31, 2005, unless sooner terminated. County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee. County shall have the option to extend the Agreement term for an additional six (6) months on a month-to-month basis with an option to terminate without cause, upon mutual agreement of both County and Contractor and at no additional cost to County. If County and Contractor fail to mutually agree to extend the Agreement term as of the expiration date of June 30, 2006, then the Agreement shall expire on such date.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. That Paragraphs 10 (CONFIDENTIALITY) and 22 (HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) CONTRACTOR'S OBLIGATION AS A COVERED ENTITY UNDER HIPAA) of the Agreement, shall be amended to read as follows:

“10. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality Agreement Attachment I for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement or by law, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.”

“22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
(HIPAA) CONTRACTOR’S OBLIGATION AS A COVERED ENTITY UNDER

HIPAA: The performance of Contractor’s obligations under the Agreement could require Contractor’s receipt of, or access to, Protected Health Information, as such term is defined in Attachment II (Contractor’s Obligation Under the Health Insurance Portability and Accountability Act of 1996). Contractor and County hereby agree to be bound by the

terms and conditions of the Protected Health Information Disclosure Agreement (Attachment II) (hereafter "Agreement") by and between Contractor (referred to in Attachment II as "Contractor") and County (referred to in Attachment II as "Covered Entity") for the term of this Agreement and as provided in the Agreement.

5. That Paragraph 30, (CONTRACTOR RESPONSIBILITY AND DEBARMENT) of this Agreement, shall be added to read as follows:

"30. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with the County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County or nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on

Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department of Health Services will notify Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The

Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to Subcontractors of County Contractors.”

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Michael A. Boyle  
Contractor

Michael A. Boyle  
Printed Name

Title Executive Vice President  
(Affix Corporate Seal)

APPROVED AS TO FORM:

BY THE OFFICE OF THE COUNTY COUNSEL

By Christina A. Salseda  
Christina A. Salseda, Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief, Contracts and Grants

Kke\MRI KDMC 04-04-2005 DF

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,  
ASSIGNMENT AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

**INSIGHT HEALTH CORP.**  
CONTRACTOR NAME

Contract No. H203002

Employee Name \_\_\_\_\_

**GENERAL INFORMATION:**

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality Assignment Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

**CONFIDENTIALITY AGREEMENT:**

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer \_\_\_\_\_



Contractor Name INSIGHT HEALTH CORP.

Contract No. H2032002

Employee Name \_\_\_\_\_

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

## **CONTRACTOR'S OBLIGATION UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Contractor") provides services ("Services") to County ("Covered Entity") and Contractor receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Contractor if such a contract is not in place;

Therefore, the parties agree as follows:

### **DEFINITIONS**

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Contractor from or on behalf of Covered Entity, or is created by Contractor, or is made accessible to Contractor by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Contractor to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## OBLIGATIONS OF CONTRACTOR

### 2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (i) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

### 2.2 Adequate Safeguards for Protected Health Information. Contractor:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

### 2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Contractor shall report to Covered Entity each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Contractor becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer  
Kenneth Hahn Hall of Administration

500 West Temple ST.  
Suite 525  
Los Angeles, CA 90012

2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Contractor shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Contractor shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Contractor shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Contractor or its employees, agents, representatives or subcontractors.

However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Contractor under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Contractor shall document the

information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

## **OBLIGATION OF COVERED ENTITY**

3.1 Obligation of Covered Entity. Covered Entity shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

## **TERM AND TERMINATION**

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Contractor's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Contractor, Covered Entity shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by Covered Entity;
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Contractor on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.

(b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is

infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

## MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors that receive Protected Health Information from Contractor, or create Protected Health Information for Contractor, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

**OLIVE VIEW/UCLA MEDICAL CENTER**  
**MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT**

AMENDMENT NO. 6

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005,

by and between

COUNTY OF LOS ANGELES (hereafter  
"County"),

and

INSIGHT HEALTH CORP. (hereafter  
"Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC  
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and further  
identified as County Agreement No. H-203001 and any amendments thereto (all hereafter  
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a written  
amendment which is formally approved and executed by the parties.

WHEREAS, the parties desire to amend Agreement to include the provision of a  
preferred provider arrangement for Open Magnetic Resonance Imaging services between the  
Contractor and County.

WHEREAS, the Olive View-UCLA Medical Center (hereafter "Medical Center") shall  
retain professional and administrative responsibility for the services provided under this  
Agreement.

NOW, THEREFORE, the parties hereby agree as follows:



1. This Amendment shall become effective upon the Board of Supervisors' approval.
2. The term of this Agreement is hereby amended to terminate on December 31, 2005, unless sooner terminated. County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee. County shall have the option to extend the Agreement term for an additional six (6) months on a month-to-month basis with an option to terminate without cause, upon mutual agreement of both County and Contractor and at no additional cost to County. If County and Contractor fail to mutually agree to extend the Agreement term as of the expiration date of June 30, 2006, then the Agreement shall expire on such date.
3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.
4. That Agreement, Paragraph 5, BILLING AND PAYMENT, shall be amended to add Subparagraph E, Open MRI Services as follows:

“E. If deemed necessary by County, Open MRI Services shall be provided by the Contractor. County will pay Contractor for Open MRI services based on the fees listed on Exhibit F of this Agreement. Contractor shall bill or invoice County within thirty (30) days of providing the services and completion of a written report of findings. County will pay Contractor within thirty (30) days of receipt of an invoice or bill from Contractor.

County shall provide Contractor with a written physician's order or prescription for Open MRI services provided by Contractor. Services shall include the reading and interpretation of all services performed by the Contractor. County radiology physician (resident and/or faculty) must approve in writing all off-site MRI services prior

to arranging the patient's appointment. Contractor shall make all off-site Open MRI appointments and arrangements for referred County responsible patients. Transportation to and from Contractor's facility for referred County responsible patients will be the responsibility of County and/or the patient. Contractor shall provide County with a written report of findings related to the reading and interpretation of a test or procedure. Contractor shall provide County with copies of the images within two (2) hours of the MRI scan/study for inpatients and within six (6) hours for outpatients. Contractor will provide all Open MRI services during regularly scheduled business hours and in accordance with Contractor's policies and procedures.

Open MRI services shall be defined as a special MRI procedure for morbidly obese and claustrophobic patients, who cannot tolerate a confined and tight space for a MRI study.

5. That Paragraphs 10 (CONFIDENTIALITY) and 22 (HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) CONTRACTOR'S OBLIGATION AS A COVERED ENTITY UNDER HIPAA), shall be amended to the Provisions of the Agreement to read as follows:

"10. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality

Agreement (Attachment I) for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement or by law, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.”

“22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT (HIPAA) CONTRACTOR’S OBLIGATION AS A COVERED ENTITY UNDER

HIPAA: The performance of Contractor’s obligations under the Agreement could require Contractor’s receipt of, or access to, Protected Health Information, as such term is defined in Attachment II (Contractor’s Obligation Under the Health Insurance Portability

and Accountability Act of 1996). Contractor and County hereby agree to be bound by the terms and conditions of the Protected Health Information Disclosure Agreement (Attachment II) (hereafter "Agreement") by and between Contractor (referred to in Attachment II as "Contractor") and County (referred to in Attachment II as "Covered Entity") for the term of this Agreement and as provided in the Agreement.

5. That Paragraph 30, (CONTRACTOR RESPONSIBILITY AND DEBARMENT), shall be added to the Provisions of the Agreement to read as follows:

"30. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

- A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.
- B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with the County.
- C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County or nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on Contractor's

quality, fitness or capacity to perform a contract with the County or any other public entity, or nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department of Health Services will notify Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or

G. These terms shall also apply to Subcontractors of County Contractors.”

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

[illegible]

Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Michael A. Baylar  
Contractor

Michael A. Baylar  
Printed Name

Title Executive Vice President  
(Affix Corporate Seal)

APPROVED AS TO FORM:

BY THE OFFICE OF THE COUNTY COUNSEL

By Christina A. Salseda  
Christina A. Salseda, Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief, Contracts and Grants

Kke\MRI OVUMC #7 04-05- 2005 DF

EXHIBIT F

OPEN MRI SCAN FEES – OFF SITE \*

<u>DESCRIPTION OF SERVICES</u>	<u>FEES</u>
Magnetic Resonance Imaging Scan w/o contrast	\$400.00 per scan
Contrast	\$75.00
Additional Sequences (Greater than 4)	\$50.00 each
Additional Studies (e.g. Brain w/ and w/o contrast)	\$400.00 per additional scan

\* Open MRI Scan Fees are global and include the technical and professional components.



**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,  
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

INSIGHT HEALTH CORP.  
CONTRACTOR NAME

Contract No. H203001

Employee Name \_\_\_\_\_

**GENERAL INFORMATION:**

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, Assignment Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

**CONFIDENTIALITY AGREEMENT:**

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer \_\_\_\_\_

Contractor Name: INSIGHT HEALTH CORP.

Contract No. H203001

Employee Name \_\_\_\_\_

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

## **CONTRACTOR'S OBLIGATION UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Contractor") provides services ("Services") to County ("Covered Entity") and Contractor receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Contractor if such a contract is not in place;

Therefore, the parties agree as follows:

### **DEFINITIONS**

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Contractor from or on behalf of Covered Entity, or is created by Contractor, or is made accessible to Contractor by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Contractor to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## OBLIGATIONS OF CONTRACTOR

### 2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (i) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

### 2.2 Adequate Safeguards for Protected Health Information. Contractor:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

### 2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Contractor shall report to Covered Entity each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Contractor becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer

Kenneth Hahn Hall of Administration  
500 West Temple ST.  
Suite 525  
Los Angeles, CA 90012

2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Contractor shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Contractor shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Contractor shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Contractor or its employees, agents, representatives or subcontractors.

However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Contractor under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that

could require an accounting under this Section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

## **OBLIGATION OF COVERED ENTITY**

3.1 Obligation of Covered Entity. Covered Entity shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

## **TERM AND TERMINATION**

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Contractor's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Contractor, Covered Entity shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by Covered Entity;
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Contractor on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.

(b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to Covered Entity

notification of the conditions that make infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

## MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors that receive Protected Health Information from Contractor, or create Protected Health Information for Contractor, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.



**RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER**  
**MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT**

AMENDMENT NO. 6

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005,

by and between COUNTY OF LOS ANGELES (hereafter  
"County"),  
and INSIGHT HEALTH CORP.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC  
RESONANCE IMAGING SERVICES AGREEMENT", dated May 11, 1992, and further  
identified as County Agreement No. H-200969 and any amendments thereto (all hereafter  
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a written  
amendment which is formally approved and executed by the parties.

WHEREAS, the Medical Center shall retain professional and administrative  
responsibility for the services provided under this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon the Board of Supervisors' approval.
2. The term of this Agreement is hereby amended to terminate on December 31, 2005,  
unless sooner terminated. County may terminate this Agreement with a thirty (30) day written  
advance notice to Contractor, without cause, in whole or in part, as determined by Director or  
his/her designee. County shall have the option to extend the Agreement term for an additional

six (6) months on a month-to-month basis with an option to terminate without cause, upon mutual agreement of both County and Contractor and at no additional cost to County. If County and Contractor fail to mutually agree to extend the Agreement term as of the expiration date of June 30, 2006, then the Agreement shall expire on such date.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. That Paragraph 9 (CONFIDENTIALITY) of the Agreement, shall be amended to read as follows:

“9. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality Agreement (Attachment I) for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement or by law, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose."

5. That Paragraphs 19 (HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) CONTRACTOR'S OBLIGATION AS A COVERED ENTITY UNDER HIPAA: and 24 (CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS) of the Agreement , shall be amended to read as follows:

"19. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) CONTRACTOR'S OBLIGATION AS A COVERED ENTITY UNDER HIPAA: The performance of Contractor's obligations under the Agreement could require Contractor's receipt of, or access to, Protected Health Information, as such term is defined in Attachment II (Contractor's Obligation Under the Health Insurance Portability and Accountability Act of 1996). Contractor and County hereby agree to be bound by the terms and conditions of the Protected Health Information Disclosure Agreement (Attachment II) (hereafter "Agreement") by and between Contractor (referred to in

Attachment II as "Contractor") and County (referred to in Attachment II as "Covered Entity") for the term of this Agreement and as provided in the Agreement.

"24. CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS:

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

6. That Paragraphs 27, 28, 29, 30 and 31 shall be added to the Agreement to read as follows:

"27. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/

TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement."

"28. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with the County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County or nonprofit corporation created by the County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department of Health Services will notify Contractor in writing of the evidence, which is

the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to Subcontractors of County Contractors."

"29. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. This Agreement is subject to the provisions of County's ordinance entitled ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code (see Contractor Employee Jury Service Exhibit).

B. Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury

Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

C. For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts.

"Employee" means any California resident who is a full-time employee of Contractor.

"Full-time" means 40 hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by County, or (2)

Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 Days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

D. If Contractor is not required to comply with the Jury Service Program when this Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and

Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program.

County may also require, at any time during this Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

E. Contractor's violation of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach."

"30. CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION):

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum. Upon occurrence of this event, Contractor shall send written notification to (a) County's Project Director, and (b) County's Project Manager."

"31. BUDGET REDUCTIONS: In the event that County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year for services



provided by Contractor under this Agreement. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board of Supervisors approval of such actions. Contractor shall continue to perform all of its obligations set forth in this Agreement."

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Michael A. Boylan  
Contractor

Michael A. Boylan  
Printed Name

Title Executive Vice Pres. Int  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By Christina A. Salseda  
Christina A. Salseda, Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief, Contracts and Grants

Kke\RLANRC 04-05-2005 DF

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,  
ASSIGNMENT AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

**INSIGHT HEALTH CORP.**  
CONTRACTOR NAME

Contract No. H200969

Employee Name \_\_\_\_\_

**GENERAL INFORMATION:**

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, Assignment Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

**CONFIDENTIALITY AGREEMENT:**

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer \_\_\_\_\_

Contractor Name INSIGHT HEALTH CORP

Contract No. H200969

Employee Name \_\_\_\_\_

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

**CONTRACTOR'S OBLIGATION UNDER THE HEALTH INSURANCE  
PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

Under this Agreement, Contractor ("Contractor") provides services ("Services") to County ("Covered Entity") and Contractor receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Contractor if such a contract is not in place;

Therefore, the parties agree as follows:

**DEFINITIONS**

1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Contractor's internal operations or to other than its employees.

1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Contractor from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Contractor from or on behalf of Covered Entity, or is created by Contractor, or is made accessible to Contractor by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Contractor to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

## **OBLIGATIONS OF CONTRACTOR**

2.1 Permitted Uses and Disclosures of Protected Health Information. Contractor:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (i) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Contractor shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Contractor:

- (a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Contractor agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Contractor shall report to Covered Entity each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Contractor becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Contractor becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer  
Kenneth Hahn Hall of Administration  
500 West Temple ST.  
Suite 525

2.4 Mitigation of Harmful Effect. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a Use or Disclosure of Protected Health Information by Contractor in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies.

Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Contractor shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Contractor shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Contractor shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Contractor shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Contractor shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Contractor shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Contractor or its employees, agents, representatives or subcontractors.

However, Contractor is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Contractor under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Contractor shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Contractor shall provide to Covered Entity, within ten



(10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

## **OBLIGATION OF COVERED ENTITY**

3.1 Obligation of Covered Entity. Covered Entity shall notify Contractor of any current or future restrictions or limitations on the use of Protected Health Information that would affect Contractor's performance of the Services, and Contractor shall thereafter restrict or limit its own uses and disclosures accordingly.

## **TERM AND TERMINATION**

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Contractor's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Contractor, Covered Entity shall either:

- (a) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by Covered Entity;
- (b) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Contractor shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Contractor on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- (b) In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health

Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

## MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Contractor shall require each of its agents and subcontractors that receive Protected Health Information from Contractor, or create Protected Health Information for Contractor, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.